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4 PAGES

Unsolicited Proposal to the Transportation Security Administration

Area of Interest:
Security Technologies – Checked Baggage Screening

The Liberty Lock

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Background: Travelers understand and support the Government's initiatives to thwart terrorism. This support of security regulations and procedures on the part of travelers is critical to their implementation and success. However, travelers, just getting accustomed to the new security laws, may have legitimate concerns over baggage inspections. It is crucial that the government act to diminish travelers' concerns.

Scenario: If a TSA baggage screener was unable to open a traveler's bag for inspection because the bag was locked, the screener may have to break the locks on the traveler's bag.

The following problems stem from having to break travelers' locks:

- *Potential security threats exist* when bags can be tampered with after locks are broken, even in airports' "secure" areas (see CNN-Exhibit 1). Furthermore, if travelers consistently have their locks broken, travelers will see no value in using locks when traveling, thereby exposing their unlocked luggage to a constant risk of tampering.
- Travelers are concerned about theft of the contents of their bags without the protection of locks and *may look to blame the TSA for any property loss*.
- Consumers bear the full cost of replacing the broken locks. Therefore *travelers may become frustrated with the Government* due to this policy ("TSA is not liable for damage to your locks resulting from this necessary precaution," taken from Notification of Baggage Inspection leaflet).

Opportunity: ~~Develop, mass produce, and sell the baggage lock that provides serious benefits to both the TSA and to travelers. The Liberty Lock.~~ This baggage lock is unique, innovative, and original in thought because of its design and the benefits it yields to both the TSA and travelers. The lock will have a unique combination so that only the traveler (consumer) could open the lock. The lock will also have a keyhole for a "universal key" (only the Government and the Manufacturer would possess this key to maintain the integrity of the product). Having TSA screeners open The Liberty Lock with the "universal key" would eliminate any need to break travelers' locks. The beauty of this invention lies in its simplicity. It's easy to understand and easy to use.

The following is a list of direct benefits the TSA will realize if *The Liberty Lock* is used:

- *A potential security threat is eliminated*, as only authorized TSA screeners have access to Liberty-Locked luggage. The Liberty-locked luggage is received by the TSA screener, who opens it with his or her "universal key," in order to begin the inspection. Upon satisfactory completion of inspection, the TSA screener re-locks The Liberty Lock and the sealed luggage is sent on its way, safe and secure. This eliminates the need to break a lock.
- *TSA costs will decrease* because there will be less lock clipper purchases and no additional training costs.
- *TSA liability will decrease* if screeners use a universal key to open The Liberty Lock instead of breaking locks. It stands to reason that screeners will have to break less locks (using the universal key instead) and therefore on-the-job injuries will decrease.

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- *TSA screeners will appreciate the decrease in labor intensity and their managers will appreciate the productivity benefits of this new technology.* The process of opening The Liberty Lock using a universal key requires less manual labor than breaking locks. Working as a TSA screener is a highly demanding and stressful job and anything to reduce physical strain, would be appreciated by the screeners.
- *TSA will enjoy Public Relations benefits because travelers will appreciate the TSA's concern for their personal property.* By using a universal key to open The Liberty Lock rather than destroying a normal lock, the TSA is able to get its job done more efficiently, while demonstrating concern for travelers property.

The following is a list of direct benefits travelers will realize if *The Liberty Lock* is used:

- *Traveler still benefits from the TSA's thorough search but the traveler will be more comfortable with the TSA's less intrusive search.* The constructive approach of the TSA using the "universal key," as opposed to destructively breaking a normal lock, will lead to a higher level of awareness and approval of the job that the TSA is doing.
- *Traveler feels more secure about checking his or her luggage* because only trusted Government officials have the ability to open his or her Liberty Lock. From their origin to their destination, no one will be afforded the opportunity to tamper with travelers' luggage (after a normal lock is broken, there is opportunity to tamper with travelers' luggage).
- *Traveler gets to keep his or her Liberty Lock and is able to use it again without worry.* Consumers are more likely to buy one Liberty Lock that the Government will not break rather than keep buying and replacing normal locks that the Government will break.

Offeror: I am a citizen of the United States; born and raised in New York City. I graduated from New York University's Leonard N. Stern School of Business with a Bachelor of Science in Finance and International Business with Cum Laude honors. During my university experience, I worked at Needham & Company, a full-service Investment Bank. Upon graduation, I earned a full-time offer of employment. I also have previous experience at startup businesses and have worked on several entrepreneurial projects.

Proposal: *This is truly an opportunity where everyone benefits. There is little risk on the Government's part.* What I am asking of the TSA is for an exclusive agreement to supply this universal key to TSA screeners at all airports where bags are screened. I propose that the TSA use this universal key on The Liberty Lock, rather than breaking normal locks. **This would not interfere with the TSA's current policy;** any lock that would not accept the universal key (any existing locks), could be broken if screeners need to open the luggage. In addition to improving upon its existing processes, this is an opportunity for the TSA to demonstrate excellence in public services through innovation, courtesy, respect, and customer focus. The Liberty Lock can build goodwill between the Government and travelers. In this case, government support could enhance, benefit, and be of value to the TSA for further accomplishment of its mission.

A business associate of mine owns manufacturing facilities, which specialize in the production of stainless steel products. This factory will produce the prototype Liberty Lock. Once I get the approval I am asking for, I can have a prototype manufactured

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within weeks. I will personally devote a full time effort to further develop this product; eventually mass-producing and selling The Liberty Lock. I can commit to building an American-owned and independently operated, for-profit business, which will focus on creating jobs as well as sales. I am open to consider any proposal, including Government funding for research and development to get this project started. Nevertheless, Government involvement is crucial to the success of The Liberty Lock. I am willing to work with the TSA in order to tailor the "universal key," and even The Liberty Lock itself, to meet the Government's specifications (including making both the key and the lock tamper-proof). I am also open to discussing donating a portion of the profits generated from sales of The Liberty Lock to a worthy cause, such as the Department of Homeland Security.

Projections: In order to come up with a realistic set of preliminary projections, I set out to analyze domestic airline passenger traffic through an airline industry trade organization. All data quoted in this section comes from The Air Transport Association (see Exhibit 2), the principal trade organization for U.S. airlines. This group is made up of the following airlines; Alaska, Aloha, American (incl. TWA), America West, Continental (incl. Micronesia), Delta, Hawaiian, JetBlue, Midwest Express, Northwest, Southwest, United, and US Airways. In my quest for 2002 domestic passenger traffic, I was able to find "YTD" domestic passenger traffic for ATA airlines from January 2002 to November 2002. This number is 432,461,000. This number is not complete because it doesn't take in account December 2002 passenger traffic. What I have done is averaged out monthly domestic passenger traffic from January to November 2002 and I have come up with an average monthly traffic number of 39,315,000. For the sake of consistency, I propose adding this monthly average (December) to the January to November figure to estimate a complete 2002 domestic passenger traffic number. My 2002 domestic passenger traffic estimate is 471,776,000. This number is quite conservative compared to the actual 2001 domestic passenger traffic number of 498,699,000 and the actual 2000 domestic passenger traffic number of 537,886,000.

In terms of a market for The Liberty Lock, assuming that we can sell to 1% of 2002 domestic passenger traffic, we are talking about 4,717,760 potential customers. If we can sell to 3% of 2002 domestic passenger traffic, we are talking about 14,153,280 potential customers. If we can sell to 5% of 2002 domestic passenger traffic, we are talking about 23,588,800 potential customers.

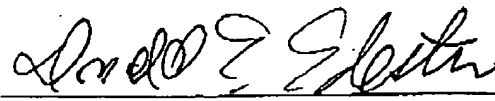
Under penalty of perjury, I certify that The Liberty Lock idea is my own creation, which I believe to be totally unique and innovative.

Sworn to me this 12 day of JANUARY 2003



Offeror's Signature

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Notary Public

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